

PITTSBURGH AND THE NINETEENTH CENTURY TARIFFS¹

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THE HISTORY of Pittsburgh is inextricably associated with the history of the American Tariff. As we read this history the term "Pennsylvania" becomes synonymous with "Protection."

Pennsylvania high-tariff tendencies may be traced definitely from the earliest colonial days. Prior to her independence, she built tariff walls of her own, and when she was thwarted by a different tariff policy of her neighboring state, her protectionist leaders siezed upon the first opportunity to advocate Federal regulation of commerce and tariffs, to safeguard these ideals, as far as possible.

The theory of protection may not always withstand the tests of the philosopher or the economist, but by and large, it has been accepted and supported by the American people as the best policy of preserving and expanding their domestic industries.

The protectionists, whether as Federalists, Whigs, or Republicans, were never quite so well versed in the theory of their policy as the free traders were in theirs. The influence of the great universities, the logic of the Jeffersonian doctrine, the arguments of the then brain trusters, all favored free trade, but however plausible, seemingly logical and profound as philosophy, they utterly failed to have any permanent influence on the convictions of the majority of the American people, who based their belief on actual, concrete, and practical experiences. Someone has said: "Protection can hardly be said to have had a logical doctrine at all. It was a policy, a kind of horse sense policy, under which the people persisted in doing very much better than they knew."

It was not until the very close of the nineteenth century that the theory of protection was reduced to anything like an economic doctrine with any scientific basis or philosophic scope. Therefore, it is only natural that there might have been an occasional up-surge of sentiment in favor of the philosophy of the intelligentsia, and an anti-protection

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movement sometimes did lift its head, and experiments followed, of a nonprotective nature, but as every such experiment was followed by some industrial disturbance, or disastrous depression with its accompanying financial panic, the people naturally soon returned to the horse-sense policy which gave them what they most needed, prosperity at home.

It may be asserted safely, that the birth of this protectionism was in the western part of the state rather than the east. The iron industry was the primary cause of this movement. Although the first ironworks, a bloomery forge, was established in Pottsville in 1716, the iron industry really had its beginning west of the mountains in Fayette County in 1789.

The chief reason why Western Pennsylvania protectionists were stronger in the colonial days was because here was the home of manufacturing, whereas trading held the interests of the east at Philadelphia, which was a shipping port and the commercial metropolis of the country. The rich natural resources were found west of the mountains, and here the people of necessity began to create and produce, first for their own support and maintenance and second for barter, trade, or sale, whereas the commercial interests in Philadelphia were primarily centered on trading and wanted European goods free from duty. The basic aim of this policy of protection, we may then assume, was to foster domestic economic interests through import duties. The first import duties that we know about were levied in 1683, when a light tax was imposed on all imports except molasses. This was superseded in 1688 by a heavier duty upon liquors, lumber, hops, flax, and dairy products, which constituted the principal business of the people in the colony. As the commercial interests in Philadelphia grew, opposition to the tariff became outspoken, and in 1725 all import duties were abandoned and absolutely free trade prevailed until 1758, when a war-time emergency brought a tax on liquors and sugar as well as a tonnage tax. So powerful was the interest of the traders, that even after the Declaration of Independence made Pennsylvania free to formulate her own economic policies, the first state duties were not imposed until December 23, 1780, and then only on a strictly revenue basis. The first act of the General Assembly, passed on September 20, 1785, was entitled: "An Act to Encourage and Protect the Manufacturers of this State by Laying Additional Duties on the Importations of Certain Manufacturers which Interfere with Them."

The result of this tariff was a $12\frac{1}{2}\%$ duty on iron, leather goods, paper, and clothing.

During the debates on the first United States Tariff Act, it was asserted that the protection afforded by this Pennsylvania Act of 1785 made it possible to establish a steel furnace in Philadelphia, that it had greatly stimulated the manufacture of candles, and that it had transformed the state from an importer to an exporter of malt liquors.

It was James Madison who introduced a resolution in the House at the first session of Congress, April 8, 1789, proposing a purely revenue tariff law, but on the following day Thomas Fitzsimons of Pennsylvania moved a substitute resolution enumerating a large number of articles for tariff, which were almost identical with the articles in the Pennsylvania Act of 1785, "calculated to encourage the production of this country and protect our import manufacturers." By the passage of this bill, Pennsylvania lost only about 5% ad valorem, which was very generally accepted throughout the state.

Someone has said: "The subject of protection was supported by the industrialist, tolerated by the farmer, and regarded with suspicion and hostility by the merchant. With the war of 1812 the tariff movement in Pennsylvania represented a guerilla warfare rather than a sustained offensive, a campaign conducted for the most part without leadership and without plan." It is said that the Pennsylvania delegation in Congress prior to 1815 was strongly protectionist. In this period there were twenty-seven revisions of the tariff, several of which provided for material increases in the duties levied. The Pennsylvania delegation by unanimous vote supported the Act of 1790, in the first test of protectionist sentiment. The same support came in the revision of 1792. In the discussion of the increase in the duty on salt in 1797, Albert Gallatin opposed the increase as an oppressive tax upon a common necessity. Salt was the one item which broke the solid front of protectionists from Pennsylvania.

The next change was in 1804, when a number of items were transferred from the ad valorem to specific schedules. This act gave the first protection to window glass. It was in this fight that the greatest test of the protection principle came, and it continued during the years between 1794 and 1816. Legislation on the subject became necessary by the war of 1812. It was Congressman Jonathan Roberts of Pennsylvania

who introduced the resolution to double all existing rates. Manufacturers in the state then increased their production. In 1789 Pennsylvania had supplied twenty per cent of the nation's tonnage in foreign trade, but by 1816 the figure was less than ten per cent. This fall in commerce and rise in production did much to increase and unify protectionist sentiment.

The manufacturing census of 1810 credits Pennsylvania with nineteen per cent of the national output and she led in the production of iron and steel, hides, leather manufactures, distilled liquors, paper, and hats; she was second in glass and third in textiles. There were 44 blast furnaces, 6 air furnaces, 28 forges, 4 bloomeries, 18 rolling and slitting mills, 50 triphammers, 5 steel furnaces, and 115 naileries. In the Pittsburgh district the iron industry was centered in Allegheny and Fayette counties. The glass industry was in Allegheny County, and Pittsburgh was recognized as a manufacturing center. Michaux states, as early as 1802, that Pittsburgh was shipping bar iron, coarse linens, bottles, and whiskey down the river to New Orleans. Niles referred to Pittsburgh in 1814 as the "Birmingham of America" and enthusiastically predicted that it was destined to become "the greatest manufacturing town in the world." At this time Pittsburgh had four iron foundries and one steel furnace from which cannon and munitions were supplied to Perry's fleet on Lake Erie and Jackson's army at New Orleans. In 1815 the census reported that the city manufactured goods of the value of \$2,617,888.00, of which iron manufacture was \$800,000.00.

At the close of the war, Britain's determination to regain her lost trade reopened the tariff question, and for the first time Pennsylvania state authorities began a tariff lobby in Congress. Governor Simon Snyder opened the Legislature with a plea for protection and the House immediately passed a resolution favoring such duties "as will effectually protect those manufactures in which our country has already engaged." In the Congress of December, 1815, the forces for protection failed to retain the then double duties. John Sergeant of Pennsylvania urged the extension of the current rates to January 1, 1817, on the ground that so abrupt a termination would tend "to alarm the whole manufacturing interest, which was now looking to the Government for additional support instead of expecting an early reduction of the existing duties." Three-fourths of the Pennsylvania delegation supported this plea but it was overwhelmingly rejected by the

House. A change was apparent in the temper of the Congress, and the protectionists were on the defensive.

Then came the Tariff Act of 1816 which was less protective. The rates on iron were low: \$1.50 per hundredweight on rolled bar iron, and only \$.45 on hammered iron. English merchandise flooded our markets, our factories closed, unemployment increased, food prices and rents continued high, and hard times overtook the people. Another cause of this depression was the inflated currency. Bank paper in Pennsylvania was circulating at a discount of from 17% to 25%. One of the directors of the United States Bank, when writing to an English friend, said: "Houses which rented for \$1200 now rent for \$450: fuel which cost \$12 now costs \$5 ½: flour which was \$10 and \$11 now is \$4 ½: beef 25 cents, now 8 cents."

This was a good picture of the situation in Pittsburgh after the Tariff of 1816. During the next three years employment here dropped from 1,960 to 672: and the volume of production from \$2,617,883.00 to \$830,000.00. Excessive imports, aided by an inflated currency to offset the tariff, flooded the country. The result was that public opinion again turned to a protective tariff as a panacea for all its economic ills. In Pittsburgh it was not particularly the currency but the tariff which seemed to be the seat of the people's troubles. The *Pittsburgh Gazette* of September 11, 1818, went so far as to say: "The peace has glutted our country with English goods, even to loathing, and the importation of British manufactures has affected our western establishments with a deadly palsy. Our capital is rushing in floods to the seaboard to satisfy European claims; we are bleeding at every pore, and we can look but to two sources for relief from evil, to a constant state of war, or to a systematic encouragement of manufacturers. The idea is horrible that in a civilized country, a refined people should sigh for a state of perpetual hostility; that the genius of prosperity, like the Asiatic Juggernaut, can only be conciliated by the blood of human victims. Yet self-defense, and self-interest must suggest these wishes, if Congress do not extend to us the fostering hand of encouragement."

It was during these trying days that Henry Baldwin of Pittsburgh came upon the scene. On December 4, 1817, Baldwin presented his credentials to the Congress, and very soon was appointed to the committee on manufacturers and commerce. For more than four years Baldwin worked in

season and out, in advocating the theory that the United States should be a self-contained nation, and this theory became known as The American System. The general idea of this system was to encourage manufacturing by a protective tariff, provide a home market in the new industrial towns for the agricultural products of the South and West, and instill in the people a patriotic determination to be independent for their food, clothing, tools, household implements, and every means of defense. Baldwin's fight for high tariffs while chairman of the committee from 1819 to 1822, gave him the title of "Father of the American System."

Baldwin's first role in Congress was to oppose the pending bill to repeal current duties. On December 10, 1817, he made his first speech, and warned of the pitfalls on the following day when the bill was up for third reading. He said that if the consumer paid his money in taxes directly to the collector, he paid just that and no more; but if he paid it on the increased cost of the commodities he consumed, he paid heavy commissions to the importer, the wholesaler, and the retail dealer through whose hands the articles passed. He stressed the fact that the repeal of the internal taxes would bring injurious consequences to the manufacturers. The bill passed 161 to 5. In this speech, Baldwin raised the flag of protection for Pittsburgh industries. He said he opposed the indiscriminate repeal of the internal duties because the bill meant difficulty in obtaining protective duties for Pittsburgh's infant industries.

After his re-election to the 16th Congress in 1818, Baldwin was made chairman of the committee of manufacturers. The fight over the admission of Missouri to the Union prevented the Congress from passing new measures until March of 1819. Baldwin then presented three bills: (1) for the general increase of duties; (2) for shortening credits on duties; and (3) for taxing sales by auction of imported goods. On March 22, the first of these measures was reported, which made increased duties effective June 30, 1820. The bill passed second reading. When it came before the House as a committee of the whole, Baldwin opened the debate with a three-hour speech giving his reasons for an increase in the tariff rates. This speech left no doubt in the minds of Pittsburgh manufacturers, as well as later tariff enthusiasts, that Henry Baldwin was the first great protectionist in the United States. Edward Stanwood says this was one of the weightiest speeches on the subject of tariffs ever delivered in the Congress. On April 29, 1820, after many amendments, the bill passed

the House by a vote 90 to 69. The Senate, by a vote 21 to 20, laid the measure on the table until the next session. While this defeat was disappointing, the movement for a protective tariff continued. It so happened that Baldwin did not succeed with any of his three bills but his efforts brought him much praise throughout the nation, and in Pittsburgh, at a public meeting held in the courthouse by two or three hundred citizens, public thanks were expressed for his able efforts in Congress and he was nominated for re-election and won by a majority of 1,298 votes over his opponent, General William Marks.

Upon his return to Congress the following January, Baldwin introduced the same three bills, but again he failed to gain the support of the Congress and no tariff revision was passed. At the next session, in 1821, the protectionist sentiment was even weaker than it was in the 16th Congress. During this year business was good, industry was recovering, and tariff legislation seemed inexpedient, so that it was not until 1824, after Baldwin had resigned his seat in Congress, that the result of his labors could be seen in the higher rates of the Act of 1824. This act was the result of a definite economic movement which made the tariff a political issue in the presidential election of 1824. The debate was intense in Pennsylvania and it may now be asserted that this switch in policy, from an economic to a political principle, weakened the foundation of protectionism. In this campaign Martin Van Buren warned the manufacturers that "if they suffered their interests to become identified with a political party (any one) they would share the fate of the party and go down with it whenever it sunk." As a result of the passage of the Act of 1824, the increased rates gave general satisfaction in Pennsylvania, the iron industry grew and even much iron was exported from Pennsylvania to England. The manufacture of coarse cotton increased materially, and Western Pennsylvania glass was known and sold from Maine to New Orleans.

But this condition did not last long; an economic setback in the winter of 1825-26 forced the British bankrupt manufacturers to dump their stocks on our shores at very low prices, and the thoughts of the people again turned to protection. The immediate cause for revision was wool and woollen goods. The increase in duties on woolens under the Act of 1824 was offset by a higher tax on wool and no one was satisfied. Pennsylvania raised two million sheep which produced fine wool. The new bill of 1827 was known as the Woolen Bill, and was loaded with dynamite. The rates

were cumbersome and afforded opportunities for fraud in valuations. The farmers were unhappy, and no help was given the manufacturers for iron, hemp, glass, and spirits.

It might be noted that the Pennsylvania Congressmen, though they did not approve the bill, supported it half-heartedly, being torn between loyalty to their protectionist constituents and their loyalty to Andrew Jackson. James S. Stevenson of Pittsburgh voted against the bill, which cost him his political life. A public meeting in Pittsburgh adopted a resolution of censure for his part in opposing the bill. The measure passed the House 106 to 95 but was laid on the table in the Senate, which meant defeat. Politics again cropped up in December, 1827, when a bill was introduced for no other reason. The bill provided very high duties on iron, hemp, flax, wool, and molasses, to appeal to the protectionist members, but on woolen goods the duty was reduced to 40% to alienate the New England manufacturers. The idea of the Jackson proponents was that the Adams men of New England would be compelled to ally themselves with the free traders of the South, in order to defeat the measure. To their surprise the bill passed both houses and stands on the books as a "tariff of abominations." This political move gave Andrew Jackson the support of the Pennsylvania voters, and in the election the Jackson ticket swept the state by a popular vote of two to one. Henceforth Pennsylvania's protectionist sentiment was more intense and general than ever before and continued to grow until the early part of 1831.

No Congressman raised his voice against the Act of 1827. The iron industry grew rapidly. Pig iron increased in output from 130,000 tons in 1828 to 191,000 tons in 1831, and the iron rolled at Pittsburgh increased from 3,000 tons in 1828 to more than 9,000 tons in 1831, and 34 furnaces were erected west of the mountains with the tariffs of 1827 and 1828. The only fly in the ointment was the movement to admit foreign iron free of duty where it was to be used for railroad purposes, and in 1832 a bill was passed that remitted the duties on railroad iron when used within three years, and it remained the law until 1841. Despite the efforts of the South to repeal "the tariff of abominations," Pennsylvania fought to preserve the gains thus made. The following excerpt from the *Congressional Debates* illustrates this feeling. Harmar Denny, in reply to George McDuffie's proposal to return to the rates of 1816, said: "It aims a death blow at the best interests of Pennsylvania; it strikes at her iron, her salt

and other extensive manufactures. Pass it, and you will spread ruin and distress where now is to be met the cheering hum of industry; and scenes will arise more calamitous than any that ever visited the State . . . Upon my native city, which, from her numerous and extensive manufacturing establishments, has been called the Birmingham of America, this amendment would inflict the most disastrous effects; adopt it, and you pass a plough share over a city of 20,000 inhabitants and consign that now flourishing and growing place to depopulation and ruin."

When the 22nd Congress convened in December, 1831, public opinion was set for a change in the tariff. A bill was presented to return to the 1824 rates. The debate was bitter. The Pennsylvania delegation in the House was divided 14 to 12. In the Senate William Wilkins of Pittsburgh and George M. Dallas of Philadelphia voted for the bill. The temper of the South had now reached the boiling point, and in November, 1832, came the nullification in South Carolina, declaring the Tariff Acts of 1828 and 1832 null and void within the state, and then Jackson's proclamation upholding the Union and his determination to enforce its laws.

So intense was the feeling around here that the *Pittsburgh Gazette* on January 18, 1833, said that "if the Tariff is really oppressive to South Carolina, we would, at once, rather than abandon the protective policy, agree that the free states should buy her out—aye! buy her out, lands, houses, negroes, and all, and transport them to a more fertile soil!—to Louisiana, or Texas, or as many of them would no doubt prefer, to the dominions of His Majesty, King William the Fourth." The rift thus started culminated in the Southern Confederacy.

The Compromise Bill, so called, which was then proposed, reduced the duty on iron only 20% after one year, but wool and woollens were severely cut, and after June 30, 1842, there were to be no rates above 20% ad valorem. The only vote from Pennsylvania in favor of the bill was that of John Gilmore of Butler, which raised a storm of protest back home. The *Pittsburgh Gazette*, on January 15 and February 12, 1833, actually classed Gilmore with Benedict Arnold and Aaron Burr. This Compromise Bill averted the menace of the Nullification Ordinance, and for a few years the tariff issue was quiet, due largely, however, to the menace of inflated currency and wild speculation.

Then came the panic of 1837, and the crisis of 1839, which revived the tariff agitation. The Pennsylvania Senate, in 1840, adopted the following

resolution: "The present reduced condition of the tariff is one of the prime causes of the prostration of individual and national credit, of the reduced price of agricultural and domestic products, of the languishing and depressed condition of all branches of industry, of the ruined and depreciated state of our own national currency, which so fatally prevails."

From this time on, the Pennsylvania protectionists put up a stronger and more outspoken struggle; in fact, the next decade was the most bitter in the history of the tariff in Pennsylvania.

The inflated currency was also a serious obstacle to the tariff. The *American Manufacturer* (Pittsburgh) of January 22, 1842, said: "In the present state of our currency, it is folly to think of giving prosperity to the country by tariff laws, and until our infamous system of banking is reformed and constitutional currency restored, all levying of tariffs will be but to increase the burdens of the people."

At the extraordinary session of the 27th Congress, which convened on May 31, 1841, a revenue act was passed which again raised the duty to 20% ad valorem on most articles previously free, but this raised the revenue only slightly, and really gave no additional protection. The stop-gap failed to satisfy any of the protectionists. The increase in revenue was offset by the provision for the distribution to the states of the proceeds of the sales of public lands.

This Act of September 4, 1841, provided that after the payment of 10% of the proceeds of the sales of public lands to Ohio, Indiana, Illinois, Alabama, Missouri, Mississippi, Louisiana, Arkansas, and Michigan, the residue should be divided among the twenty-six states, the District of Columbia, and the territories of Wisconsin, Iowa, and Florida, according to their representative population. Section 6 of the act provided that, if at any time during the existence of the act there should be an imposition of duties on imports inconsistent with the provision of the Act of March 2, 1833, and in excess of 20% on the value of such imports, the distribution to the states should be suspended until the cause of the suspension were removed.

When the Congress convened for the regular session in December, 1841, the tariff agitation was renewed, and before a general revision of the Tariff Act could be drafted, a provisional measure, known as "the little tariff bill," was introduced and passed on June 29, 1842, extending the then existing duties to August 1, 1842. This bill contained the same provision

as to the distribution of the proceeds of the sales of public lands. The President, John Tyler, promptly vetoed it because of the distribution proviso, and the veto was not overridden. Bitterness followed in the wake of the veto. The *Miner's Journal* (Pottsville, Pa.) of August 13, 1842, stated: "If Congress submits to the dictation of John Tyler, they will deserve the execration of the people and of every friend of liberty throughout the world."

Attention was next turned to a new general tariff bill which was introduced in the House by the committee on ways and means. This bill had been prepared by Walter Forward of Pittsburgh, then Secretary of the Treasury. It established duties at about the level of 1839, and contained the same provision for distribution of the proceeds of the sales of public lands. Section 30 provided "that so long as the distribution of the net proceeds of the sales of public lands directed to be made among the several States, Territories and District of Columbia, by an Act entitled 'an Act to appropriate the proceeds of public lands and to grant preemption rights,' shall be and remain suspended by virtue of this Act, and of the provisions of Paragraph 36 of the Act aforesaid, the 10% of the said proceeds directed to be paid by the said Act to the several States of Ohio, Indiana, Illinois, Alabama, Missouri, Mississippi, Louisiana, Arkansas and Michigan, shall also be and remain suspended."

This act was debated throughout the summer of 1842. On August 2, the then Senator James Buchanan moved to strike out the distribution section, but it was voted down 28 to 27. The Senate passed the bill on August 6, by a vote of 25 to 23. It was referred to committee and the committee report was adopted by the Senate on August 27, by the House on August 29, and was approved on August 30, 1842. The Pennsylvania Whigs attributed the success of the bill to Walter Forward, its draftsman, and Representative Thomas M. T. McKennan, of Washington County, who directed the fight on the floor of the House. Its passage returned the country to the same general level of protection which existed before the "Compromise."

The next blow to the protectionists' hopes was the election of James K. Polk. Neither Henry Clay nor Polk appealed to the protectionists. Wilson McCandless of Pittsburgh wrote to Polk during the campaign: "After your nomination we dreaded the promulgation of your sentiments on the subject of the tariff, as exhibited by our adversaries, but your letter

to Mr. Kane has satisfied our mechanics and operatives that you are as good a tariff man as Clay, who, in his infamous Compromise Bill, brought down the duties to a horizontal of 20%." The election of Polk caused a lull in the tariff agitation. Both parties were embarrassed as a result of the campaign, and the Mexican situation served to divert public attention. The *Pittsburgh Daily Morning Post* on March 7, 1845, said: "It is now clearly evident to all that nothing can save the tariff but the necessities of the Country. If we are drawn into a war, the tariff may be preserved."

Buchanan, who was Polk's Secretary of State, urged that the specific rates be returned on iron, coal, and sugar, but along came Senator Robert J. Walker with a proposal that Buchanan called "a strong free trade document and was in its doctrine opposed to his whole course on the subject during his whole public life." In this Walker bill, iron, wool and wools, coal, leather, paper, and glass were put in the 30% class. The *Pittsburgh Post* of July 28, 1846, said that "76 out of 80 Democratic papers in the State were opposed to the Bill." A quotation from a message of the President is as follows: "The capitalists and monopolists have not surrendered the immense advantages which they possessed and the enormous profits which they derived from the tariff of 1842, until after a fierce and mighty struggle. This city has swarmed with them for weeks. Their efforts will probably now be to raise a panic (such as they have already attempted) by means of their combined wealth, so as to induce a repeal of the Act." How similar to the blasts against the economic royalists that have emanated from the White House in our time!

Although warned by the Pennsylvania Congressmen that the Walker bill would not be the end, but the beginning of a struggle, Polk signed the bill on July 30, 1846. Vice President Dallas, who cast the deciding vote in the Senate, was severely criticized, was burned in effigy, and barrels were placed over chimneys of closed factories bearing the name "Dallas Night Caps." The *Pittsburgh Daily Commercial Journal* of September 21, 1846, stated that it had been charged that Dallas was bribed with British gold to give the casting vote and his name was often linked with Benedict Arnold's.

In the 1846 election the entire Whig ticket swept the state. Only seven out of the twenty-four Congressmen elected were Democrats. However, fate was with the Democrats. Iron and coal prices rose beyond those under the act of 1842. The *Pittsburgh Post* of August 13, 1847, declared

that "the complete success of the tariff of 1846 is now candidly admitted by every honest man."

Again depression followed in the wake of the industrial expansion. When President Zachary Taylor visited Pittsburgh in August, 1849, he learned that four-fifths of the ironworks in Allegheny County had failed in the previous eighteen months. Foreign imported iron in '48 and '49 quadrupled over the imports under the Tariff Act of 1842. At a meeting in Pittsburgh it was said that "the present depressed state of the iron trade had its origin, and is entirely caused by, the low rate of duty at which English iron is admitted into this country." In 1850 most of the mills around Pittsburgh were closed by a strike against the 25% wage-cut announced by the employers, who said the alternative was either more protection or lower pay. During this depression the Whigs declared the Walker Tariff to be "a virtual repeal of the Declaration of Independence." In 1852 the cycle was complete, and pig metal rose from \$20 to \$45 a ton. Iron bars rose from \$55 to \$91 per ton in 1854.

Then came the panic of 1857, and a new act was passed that was the closest approach to the free-trade ideal in all our tariff history. In this depression the protectionists came back and the fifteen Pennsylvania Democrats were reduced to five. At the first session of the 36th Congress, as a result of the agitation of the Pennsylvania manufacturers, Congressman Justin S. Morrill of Vermont introduced a bill designed to restore the general level of the Act of 1846. The Morrill bill passed the House but was blocked by the Democrats in the Senate. When the Congress reassembled in 1860, the withdrawal of twelve Southern Senators in the secession of the states gave the Republicans a majority and the Morrill bill passed and was signed by President Buchanan on March 2, 1861. This completed the triumph of Pennsylvania protectionism.

James K. Moorhead and Robert McKnight of Pittsburgh both took part in the Congressional debates on the Morrill bill. The *Daily Pittsburgh Gazette* of April 28, 1860, in an item captioned "Gen. Moorhead," quoted the Washington correspondent of *Forney's Press*, in part, as follows: "This able Representative from the Allegheny (Pa.) district is devoting all his great energies to the tariff question, and wields considerable influence in the House." On May 11, 1860, the *Pittsburgh Chronicle* said concerning the Morrill bill: "The Republicans intended to honor the passage of the popular measure by firing from Boyd's Hill 105 rounds, the number of

aves for the Bill." The next campaign for governor in the state was bitterly fought and it was generally agreed that the election of Governor Andrew G. Curtin assured the election of Lincoln in November. The Morrill Act proved beyond anything else to the country that the Republicans were the real supporters of protection.

It might be interesting to note that, while the intention was to protect the home production of tin plate under the Morrill Act, through an error in a Treasury decision that protection was denied. The provision of the act was "on tin plates, and iron galvanized or coated with any metal by electric batteries or otherwise, 2 ½ cents per pound." Secretary of the Treasury William P. Fessenden, who did not know that tin plate was not pure tin, but plates of iron coated with tin, ruled that tin plate as well as iron must be galvanized or coated with metal by electric batteries or otherwise, in order to bring them within the provisions of the act. The result of this ruling was that sheets of iron coated with tin had to be galvanized a second time. Fessenden was stubborn and refused to modify the rule, and because of this blunder, the tin plate industry suffered until the Spooner Amendment to the McKinley Bill in 1891. In June, 1888, John Dalzell sought to increase the duty on tin plate, instead of having it on the free list, and he succeeded in 1892, when he was conceded to be an outstanding authority on the subject of tin plate.

The Morrill Act became effective during the month in which Fort Sumter was attacked and surrendered. The next five tariff laws were passed to raise revenue under the stress of war. By the time Ulysses S. Grant became President, public opinion had changed again, and the terms "Republicans" and "Protectionists" were no longer synonymous. Free trade grew rapidly in 1871 and 1872. The change in the tariff issue came with the idea of reciprocal trade relations with the Hawaiian Islands in 1875, when the treaty was made effective for seven years and was to continue thereafter from year to year. Incidentally, in the renewal treaty of 1884, Pearl Harbor was ceded to us as a naval station.

The only act of any importance passed in the period from 1875 to 1883 put salts of quinine on the free list. In 1883 all internal duties were removed except on spirituous and malt liquors, tobacco, and the tax on national banks.

Grover Cleveland put the Democratic party definitely on a free-trade plank and the Republicans clung to protection. Then came the Great

Tariff Debate of 1888. On this issue Benjamin Harrison defeated Cleveland. In these debates William L. Scott of Erie charged John Dalzell of Pittsburgh with being the "special representative of the trusts of the country," but Dalzell soon convinced the Congress that he was a real champion of the tariff and during his whole career in Congress no tariff debate was ever complete without the voice of John Dalzell. In this period, known as the "Industrial Revolution," the tariff enabled our manufacturers to hold the greatest markets in the world.

The next memorable act of the Congress was the McKinley Bill passed on October 1, 1890. Hardly any act ever became so unpopular in so short a time. Many false statements were made and so excited were the people through propaganda that less than four weeks after the passage of the act a political revolution took place in the country. The voters rejected the protective system and then followed the Wilson Tariff Bill on which debate was bitter. Dalzell fought in the front lines against the proposed duty of 25% on iron billets and blooms. So dissatisfied was Cleveland with the bill that he neither vetoed nor approved it, and it thereupon became a law, August 27, 1894. It is interesting to note that within thirty days after the Act of 1890 became a law, the Republican party suffered its worst defeat, and within sixty days after the Act of 1894 became a law, the Democrats were swept out of office completely. During the last six years of the century, general conditions, social, economic, and industrial, were excellent under the Republican tariff. Someone has said: "In the decade 1880—1890 the country's most marvelous development took place, which is probably to rank as the Golden Age of the Republic as far as material property is concerned."

The next tariff bill was presented to the Congress in December, 1895, by Nelson Dingley, Jr., chairman of the ways and means committee, but free silver was uppermost in the minds of the people, and after William McKinley took office, the bill was started on its way, was signed on July 24, 1897, and resulted in enormous stimulation to American commerce and labor through the closing years of the century.

The history of the tariff in the nineteenth century in graph form shows a wave line of high points of prosperity and low points of depression appearing with marked regularity across the page.

By and large, the people always returned to the conviction that it was protection that added to their wealth and general prosperity and made the

nation take its place in the front ranks of the great manufacturing countries of the world.

From this picture, though crudely drawn, we have seen Pittsburgh as:

1. The focal point of the nation's industry.
2. The birthplace of the American System with Henry Baldwin as its exponent.
3. The clearest proof that protectionism was the outgrowth of industrial strength rather than industrial weakness.
4. A fulfillment of Niles' prophesy that it was the "Birmingham of America," and also "the greatest manufacturing town in the world."

Through the century the citizens of Pittsburgh laid the foundation in our nation from which was developed, in the recent war, the greatest demonstration of industrial productivity that the world has ever known.

May America never forget that individual initiative and free enterprise made us such a nation, only with the aid and encouragement of the government through Protection.